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Sugar*

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
DIVISION OF INFORMATION

January 1941

QUESTIONS AND ANSWERS ON 1941 SUGAR BEET ACREAGE ADJUSTMENT

1. What is the total acreage being distributed in 1941 among sugar beet growers who plan to qualify for government payments under the Sugar Act of 1937?

820,000 acres.

2. How does the 1941 acreage compare with the acreages in 1940 and in earlier years?

The 820,000 acres to be distributed this year is 16.2 percent below the 979,000 acres planted in 1940; about 17 percent below the average of 986,000 acres planted in the 1938-40 period, and 1-1/2 percent less than the average of 833,000 acres planted in the ten-year period 1928-37, which preceded the present sugar program.

The reduction for 1941 is the first to be required in the total national beet acreage, although such acreage was limited in 1939.

3. Why is it necessary to reduce the sugar beet acreage on which payments are to be made in 1941?

The Sugar Act requires that a balance be maintained between an area's sugar production and its marketing quota plus normal reserves. Excessive stocks of beet sugar have piled up as a result of exceptionally large production in the last three years. During this period production averaged 1,804,000 tons, compared with an average of 1,347,000 tons in the immediately preceding period of 1935-37. The beet sugar marketing quota for 1940 was 1,549,898 tons.

4. Why, if beet sugar production has been so heavy in recent years, was an acreage cut not required in 1940?

Under ordinary conditions a cut in 1940 would have been required. However, the suspension of quotas at the outbreak of the European War in 1939 enabled the beet area to sell about 243,000 tons more sugar than would have been possible under the quotas. In view of the removal of this large portion of the beet sugar surplus, plus the fact that certain areas had already planted beets when the quotas were reinstated, and that crop prospects in some parts of the beet area early in 1940 were extremely unfavorable, beet acreage adjustments in 1940 were not required under the Act.

5. What are the general steps provided in the Sugar Act for the control of sugar marketings and production?

They are:

(1) Sugar quotas for all producing areas supplying the U.S. market. These quotas which are based on a formula in the Act, protect this market against unlimited sugar marketings; (2) Sugar marketing allotments for

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UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
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REVIEW OF AGRICULTURAL EXPORTS IN 1940

1. That is the total average value of agricultural exports in 1940 and the average value of agricultural exports in 1939.

\$25,000,000

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The average value of agricultural exports in 1940 was \$25,000,000. This was a decrease of \$1,000,000 from the average value of \$26,000,000 in 1939. The average value of agricultural exports in 1940 was \$25,000,000. This was a decrease of \$1,000,000 from the average value of \$26,000,000 in 1939. The average value of agricultural exports in 1940 was \$25,000,000. This was a decrease of \$1,000,000 from the average value of \$26,000,000 in 1939.

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1940
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processors. These allotments tend to prevent disorderly marketing, and they enable each processor to sell his fair share of the marketing quota for his area; (3) Acreage allotments (proportionate shares) for growers. These allotments are needed to prevent the piling up of excessive stocks of sugar

6. Will the reduction from the 1940 acreage be uniform in all parts of the beet area?

No. Areas or districts in which beet acreage has increased recently, particularly in the last year or two, will make larger adjustments from 1940 than those in which acreage has remained constant or has declined. This difference in adjustments results from the application of a formula which, in accordance with the Sugar Act, gives consideration to production history and ability to produce.

7. Does the 1941 acreage reduction mean that the beet area will be able to market less sugar this year than in 1940?

No. The 1941 crop acreage allotment will not affect the quantity of beet sugar which the beet area may market this year. The initial 1941 marketing quota for the area is 1,549,898 tons, raw value, or the same as the 1940 quota. A provision in the Sugar Act prevents the beet area's share of the United States sugar market from falling below that quantity. On the other hand, if sugar consumption in this country increases sufficiently the beet area's quota will be increased.

8. Have other areas supplying the United States market been required to reduce production under the sugar programs?

Louisiana and Florida.--In both 1939 and 1940 this area made acreage reductions from the 1938 level amounting to an average of 20 percent in each year. The total 1941 acreage made available to growers there is only 10 percent below the 1938 level because of serious crop losses last year.

Puerto Rico.--In 1935, under the first sugar program launched in Puerto Rico, sugar producers reduced production approximately 30 percent from the 1934 level. Subsequent crops have averaged 12 percent below the 1934 crop.

Hawaii.--Hawaiian sugar production was reduced about 10 percent early in the program and has remained at that lower level under the Sugar Act.

Philippines.--The Jones-Costigan Act of 1934, which preceded present sugar legislation, provided for a 1934-35 sugar adjustment program under which sugar growers reduced production 55 percent from that of the 1933-34 crop. Since that time sugar production in the Islands has been about 34 percent below the 1933-34 level.

Cuba.--Since Cuba is a foreign country no direct adjustment has been made there under our sugar program. However, the Cuban government has required growers to reduce production sharply and imports from Cuba in 1940 were, except for 1933, the lowest in 30 years.

9. What advantages are offered to beet growers in return for adjusting their acreage and for complying with the other conditions of the sugar program?

The sugar program protects beet growers against the low sugar prices

prevailing in the world market. For example: Cane sugar brought into the United States for refining is being offered for export at between \$1.60 and \$1.80 per 100 pounds as compared with a New York domestic wholesale price of \$4.40. Besides this price protection, the program provides for an excise tax on sugar and for payments to growers. The quota and tax-payment program has made it possible for beet growers to receive parity or near parity returns for their beets.

